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## III. INDUSTRIAL NOTES.

**A Strike and its Settlement.**[1]—The Standish Worsted Co., of Plymouth, Mass., are makers of high-grade cloth for men's wear, and employ 60 weavers.

Without any notice whatever, the company commenced to deduct 3 mills per yard for three-shuttle work, although before this date the minimum price for any shuttle under four was the four-shuttle price, and any over four were paid for at the rate of 3 mills per shuttle. Among the work which the company propose to run with 3 shuttles, are the jobs which were previously worked with 5 shuttles. This meant a cut down of six mills per yard, and as a weaver can turn out about 150 yards per week on this class of work, it was an immediate loss of ninety cents per week. In regard to the weavers' demand for an increase of pay for white work, they had long felt that the difference in the price of white from fancy is too great, white being paid one and a half cents per yard less than fancy. Hence their demand for more pay for white work.

On August 30, during the dinner hour, a meeting of weavers was held, and a committee of three was appointed to wait on the superintendent of the company, state the weavers' grievance and ask for an adjustment. It was agreed that if the committee failed to obtain satisfaction, all weavers should cease work at once. The weavers returned to work at the usual time, and upon the arrival of the superintendent the committee interviewed him. He refused to talk with them or any other committee representing the weavers, claiming that he hired them individually, and that he would only treat with them in the same way.

The committee retired and the weavers at once ceased work. The sudden stoppage brought out the superintendent from the office. He inquired the cause of the trouble, and was informed that the weavers were unwilling to work for the reduced rate of pay. His answer was that any weaver who left the room might consider himself discharged. Without further discussion, the weavers then left the premises. Another meeting was then held, and the weavers, having no organization, proceeded to arrange some program for the conduct of the

[1] This account is inserted because it gives a description of the actual method of strike settlement, written by one of those immediately concerned. The occurrences narrated are in no way remarkable in themselves, but they show the give and take of laborers and employers in a more concrete way than is ordinarily met with in labor literature. The author, Mr. John Beever, is a weaver employed in the mill which was the scene of the controversy. The narrative is given in his own language.—ED.

strike. At this meeting, the advisability of demanding more pay for white work was considered, and it was decided to ask for a rise of one cent per yard on white work. Following this, another attempt was made by the committee to discuss the situation with the superintendent, but without success. The situation remained practically unchanged until Friday, September 6. On that day the company sent out to each weaver the following letter:

"PLYMOUTH, MASS., Sept. 6, 1901.

"MR. J. BEEVER, Plymouth.

"DEAR SIR: We are in want of weavers, and as you discharged yourself August 30, when you left the mill, we will be obliged to fill your place, and unless you decide to go to work Sept. 9, we shall need the tenement for other families.

"Yours truly,

"THE STANDISH WORSTED CO.,

"————, President."

The letter sent to those weavers who were not tenants of company houses was differently worded, but the substance was the same. The superintendent had also talked with various weavers, and made the following propositions: (1) That he would pay a four-shuttle price for everything. (2) That he would pay the 3 mills extra for shuttles over four, but deduct 3 mills for each shuttle under four. (3) That the weavers should leave the matter entirely in his hands.

The propositions were not considered, the weavers refusing to negotiate excepting through their committee. On September 9, Mr. Chas. D. Palmer and Mr. Richard P. Barry, of the State Board of Arbitration and Conciliation, were present at a meeting of weavers. They informed us that it was their business to endeavor to bring masters and workmen into communication with each other so that a settlement might be reached, and they recommended that the weavers elect a most conservative committee for the purpose of conciliation. After they had retired, the question of appointing this committee was thoroughly discussed, and the old committee was eventually discharged and a new one elected. A motion to grant this committee discretionary power was negatived, but they were empowered to make a concession of one-half cent per yard on the demand for white work. This committee, after acquainting them with the main points of the issue, then accompanied the state officials to the offices of the company. The superintendent was at first unwilling to meet the committee on the ground that no committee could properly represent the masters' position to the men, but finally agreed to a conference. The weavers' committee presented a price list embodying their

demands, which were in substance the same price list which had been in force prior to the dispute, with the addition of one cent per yard on white work. In the discussion which followed, the superintendent produced the price list which had been hung in the weave room ever since his connection with the mill, and showed that no provision was made on that list for the payment of anything extra for more than four shuttles. The superintendent claimed the right to deduct 3 mills for each shuttle less than four if he were expected to pay extra for each one over 4. On the face of it, this contention seemed reasonable. The writer, however, was able to produce a pocket memoranda with the record of his work and the price paid for a term of years, from which he proved that the four-shuttle price had been considered a minimum price, and 3 mills per yard had been added for each extra shuttle. The superintendent at once admitted the men's contention, and the discussion turned to the demand for white work. The superintendent stated that he was surprised at this demand, as he had not the least idea until after the strike commenced that there was any dissatisfaction with the present rate of pay. He appealed to the committee to state if it were not possible to earn good wages on that class of work. The committee could only reply that there were some instances where it was hard to earn a good wage, and also quoted one or two cases of mills that paid a higher price for white work. After a long discussion, the superintendent and the members of the State Board of Arbitration retired for a private consultation. On their return, the members of the State Board recommended to the committee that they abandon their demands on white work and make a settlement. This recommendation was accepted, and the committee conceded the half cent per yard, which was all they had power to do. The deadlock, however, continued. The superintendent contended that it was absolutely impossible to pay more for white work. The weavers' committee then left the mill and reported to a meeting of the weavers. This meeting proved to be quite stormy. Some insisted that the full demands should be granted, while others wanted to ask for an increase of 10 per cent on all kinds of work. Eventually a motion for a 10 per cent advance all round was carried. This placed the committee in a most unfortunate position. The ground already gained was practically thrown away and a new issue brought forward. The committee protested and asked for discretionary power. This was ultimately granted, and the committee returned to the offices of the company. We presented the new demand of the weavers, but the effort was foredoomed to failure, as we had no substantial argument to support it. A special effort was made to secure some advance for white work, but the only thing that the manage-

ment was willing to do in this direction was to try to increase the production on this class of work. A settlement was finally effected, the weavers getting what they struck for, that is, no deduction for three-shuttle work and increased pay for extra shuttles, and abandoning their claim for more pay on white work. Work was resumed on Tuesday, September 10, the strike having lasted eight days.

**Some Features of Department Store Management.**—John Wanamaker's Philadelphia store consists of some 76 departments. At the head of each is a buyer, with whom rests the responsibility of keeping up the stock. He is as entirely independent in his own department as an individual owning a single store; he may buy his goods anywhere, pay whatever price he wishes, and also fix selling prices. These heads of departments receive in some instances as much as $10,000 a year. They make trips abroad once or twice, and sometimes three times a year, study the market conditions, and buy accordingly. Although no restriction is placed upon them, a record of the sales of every department is kept and the head is notified from time to time if his department is running behind or is overstocked.

The heads of the departments each day send to the advertising department a list of the things they wish to be advertised. The advertising department then makes an investigation to see whether the goods are as the buyers represent them. If such is the case the buyer is given a certain amount of space in the advertising page for the next day. During certain seasons of the year, special departments have preference in advertising. During July, for example, a specialty is made of household furniture ; during the summer months sporting goods; and at Christmas time toys, and other gift material.

The details of selling are as follows : When a sale is made for cash, the salesman makes out a slip in his salesbook giving his number and the amount of the purchase. The stub of the slip he keeps for his own reference, the top of the slip goes to the accounting department, and the tail of the slip with the address acts as a certificate to the delivery department that it is "O K." A duplicate is enclosed with the package on which is printed the store's guarantee to the customer. In a credit sale, the system is somewhat different. After the purchaser has obtained a certain amount of credit on the books, say $40.00 a month, every purchase made is debited against this. When he makes a purchase, a slip is made out in the usual manner but with the customer's name and address added. This slip is sent to the accounting department where the clerk looks up the account to see if the credit extends to that amount. If so, he "O.K.'s" the slip, and pastes it on the goods which are then ready for delivery. If

the buyer finds that the goods, when delivered, are unsatisfactory, and wishes to exchange them within a limited time he can bring them back to the exchange clerk who makes out an exchange slip. This slip entitles the buyer either to the cash or to an equal value of goods deliverable at any time.

The course of goods through the store is as follows: They are received by the shipper's receiving clerk from the manufacturers, and by him unpacked and sent to the store-room of the various departments. Here the buyer's assistant labels them with their prices. They are next taken by the stock-boy to the counter where they are sold. After being sold, they are given to the wrapper who makes a neat bundle of them, pastes on the "O.K." slip and sends the package to the delivery department. Here they are placed in various bins, each bin representing certain districts of the city. They next pass through the hands of the checker who makes a list of the names and addresses and the wagon to which they are delivered. This is to facilitate the finding of the goods in case of mis-delivery, for the driver is held responsible. Mr. Wanamaker employs about 4,500 persons throughout the year, and at Christmas time 6,500. A record of the progress of the sales people is kept by adding up the amount of the sales in each one's salesbook. In this way the manager can tell exactly how much each person sells, and makes his promotions accordingly. The sales people are directly responsible to the heads of the counters. The heads are responsible to the aisle lieutenants commonly known as floor-walkers. To these all minor difficulties are brought for settlement. The floor-walkers themselves are responsible to the general manager who has charge of the entire business. He does all the hiring and discharging in all departments, and all questions of importance are referred to him.

The bookkeeping system is very simple. The various departments are debited with the value of the goods they buy and credited with the amount sold. All expenses for advertising, etc., are charged proportionately to the various departments, and each is run as a separate store, so that at a glance the owner can ascertain which departments are making money and which losing, with the per cent of loss and gain in each case, and also the percentage of expenses required in the handling of the goods. Some goods are more expensive to handle than others, and allowance has to be made for this in estimating the working expenses in these departments.

The average pay of the ordinary salesman or saleswoman is from $4 to $8 per week, according to the length of the service. If they have been in the company's employ for more than six months, they are entitled to two weeks vacation on full pay. Besides this, on applica-

tion to the general manager, they are allowed a certain amount of time off during which to attend to their own private affairs. It is Mr. Wanamaker's policy to pay his employees as high wages as possible, and their value to the company is ascertained by the record of the sales they make. As this increases their salaries increase. A time clock is used to keep a record of their attendance. The working day is from eight until 5.30, and each employee is supposed to ring in in the morning, and again when he leaves at lunch. The lunch hours are from 11 to 12, 12 to 1, 1 to 2, 2 to 3, so that one-fourth of the employees are at lunch at a time. The store is open at night only ten days in the year, during the rush at Christmas time. [1]

**"Short" Selling.**—In a recent issue the *Wall Street Journal* explains the method of selling stocks "Short on the New York Stock Exchange," a method of speculation which is but little understood by the general public. The method is as follows:

Customer X directs broker A to sell short 100 shares of Union Pacific at par for his account. Broker B buys the stock. The rules of the stock exchange require the delivery within twenty-four hours of the stock sold. X does not have the stock and must therefore borrow it. He goes to broker C and borrows from him 100 shares of Union Pacific, giving to broker C as security $10,000 in cash. This stock is then delivered by broker A, who sold it, to broker B the purchaser, and B then pays $10,000 therefor. Matters then rest until Union Pacific advances or declines. If the stock declines to 95, X may desire to close his account. He directs broker A to buy Union Pacific at 95 from broker D, and to deliver 100 shares to broker C from whom it was borrowed. C then returns the $10,000 which he had as security from broker A, and $9,500 of this amount goes to broker D, leaving $500 less expenses as the profit of X on the transaction. Or, in case Union Pacific advances to 105 and X wishes to close his account, he must pay the $10,500 for the stock which has been borrowed, and therefore suffers a loss of $500 plus expenses. In either case, X is required by his broker to deposit with him a sufficient margin to cover possible advances in the stock which must be purchased at some future time in order to repay the loan. This margin is usually 10 per cent. It increases if the stock falls below the price at which it was originally sold, and must be increased if the price of this stock rises so far above that point as to endanger the safety of the principal sum advanced by the broker.

While X is waiting to see what the market is going to do with Union Pacific, C, from whom the 100 shares were borrowed, has the use of A's $10,000, and under ordinary conditions pays interest on this

[1] Contributed by Geo. Otis Spencer.

money. This interest is called the loaning rate on stock, and is usually a little below the current rate for loans on collateral. In case, however, the demand to borrow a certain stock is very large, C may have the use of A's $10,000 without paying any interest, and if the demand for the stock is still greater, A might have not only to give C the $10,000 without interest, but pay C a small premium in addition. When the loaning rate of a stock is quoted at 1–32, it means that C gets his $10,000 from A without interest and in addition a premium of $3.12 a day for each 100 shares which is included in the expenses paid by X, who must also pay all dividends that must be declared on the stock. C is entitled to these dividends which go to offset under normal conditions the interest which he is obliged to pay for the use of the money deposited with him as security.

As a general thing it is very easy to borrow stocks to cover short sales for the following reason: A broker who is carrying for a customer 100 shares of Union Pacific at par, would make up the money for the purchase by using $1,000 belonging to the customer, $1,000 of his own money and then would borrow $8,000 from a bank on the security of the 100 shares of stock purchased. When this money is borrowed from a bank, a broker must put up 20 per cent margin on the loan, but if he can lend stocks instead of putting them up as collateral, he gets the full value of the stock and does not have to put up any of his own money or of his customer's money to make the purchase. On this account, every broker is usually willing to lend stock, especially when the demand for stock is so great as to make the loan rate on stocks lower than the market rate of interest. In this case, the broker makes a profit by charging his customer, for whom he has purchased stocks, 5 or 6 per cent interest, while he may secure his money through the loaning of the stock purchased without any cost whatever. For this reason short selling is ordinarily a safe transaction.

The operation of "squeezing" shorts is as follows: Brokers who are "bulls" on a certain stock see a large short interest, that is to say, they see that a large amount of the stock must be borrowed by those who have sold short or must be eventually purchased in order to repay the loans. In such a case the bull party sometimes persuades holders of the stock not to lend it for a day or two and thus compel shorts to cover their commitments by purchasing outright. If the "squeeze" is operated on a large scale brokers are notified to return borrowed stock, and when they try to borrow elsewhere find little offering. The shorts become alarmed and purchase outright, advancing the price of the stock and enabling holders to sell at a profit. Such operations, however, are comparatively infrequent, and squeezing of shorts on account

of inability to borrow stock is no more frequent than squeezes of "longs," or those who have purchased stocks on account of the inability of brokers to borrow money at moderate rates.

**The Florists' Hail Association.**[1]—From a geographical viewpoint, the Florists' Hail Association of America is the most extensive association engaged in co-operative insurance in this country.

The florists have succeeded in covering the whole country with a co-operative association for mutual insurance against loss of glass by hail. Beginning business June 1, 1887, this association has grown to 1,020 members, distributed throughout the United States and Canada, who insure co-operatively 14,541,382 square feet of glass.

The amount of the policies in force is nearly one million dollars. During the year ended July 31, 1901, the losses amounted to $5,329, the expenses to $1,481. The general ratio of losses to amount of policies is about fifty cents per $100; the expenses, fifteen cents; total, sixty-five cents.

The receipts of the association during the last named year were $10,660, and the reserve fund is $8,544. The area of the glass broken by hail during the year was 79,392 square feet; from June 1, 1887, to August 1, 1901, the number of losses paid was 495, and the number of hail storms reported was 668, while during the last year the number of losses was eighty-seven and the number of reported hail storms eighty.

This association is a corporation with the usual officers, and the framework of its business organization may be briefly stated. A florist becomes a member when he takes out a policy of insurance and pays $2 for the first 2,000 square feet of glass and fifty cents for each additional thousand. Subsequently he may increase this insurance by making the following payments: fifty cents per thousand feet for each thousand feet (known as membership fee) and one assessment, similar to the one made at the beginning of membership, which is thus provided for: "Each member of the Florists' Hail Association of America shall pay to the treasurer, when he remits his membership fee, the sum of eight cents for every 100 square feet of single-thick glass and six cents for every 100 square feet of double-thick glass which he desires to insure."

In addition to this assessment provided for at the beginning of membership, there is an assessment which may be made at the option of the directors upon those who have been members of the association more than six months prior to date of levy, when the beneficiary fund shall have been reduced to 1 per cent of the fixed value of all risks. A reserve fund is provided for, constituted of the membership fees, which are invested at interest.

[1] Contributed by Mr. George K. Holmes, Washington, D. C.

The Florists' Hail Association of America is a wheel within a co-operative association of substantially similar geographical extent, with the addition of Mexico, the Hawaiian Islands and Australia—the Society of American Florists and Ornamental Horticulturists. This was organized in 1885 and was incorporated by Congress in 1901. The co-operation of its members has had the following results: The reduction of the postage rate on plants and seeds; the correction of errors in the naming of plants; the obtaining of a lighter express rate on plants and bulbs; the work of the legislative committee in safeguarding the interests of florists during "the panic of insect legislation;" the adoption of standard flower-pots; the interchange of a vast amount of information by means of essays and discussions; the organization of the hail insurance association. An annual exhibition is held for the display of plants, flowers and the latest and most approved appliances. "The opportunity is given to buy and to sell, to meet old friends and to make new ones. It is the forum from which issues the views of American floriculture in its best and broadest sense." A monthly publication is issued to members with large use to them in the dissemination of information and in affording business service. This society is co-operating with numerous other societies of florists and horticulturists, which still preserve their independent organizations, but have formally become affiliated.